



USFRCS MEMORANDUM NO. 56

TO: Arizona Charter School Administrators

FROM: Magdalene D. Haggerty, Office of the Auditor General
Vicki G. Salazar, Arizona Department of Education

DATE: January 11, 2005

SUBJECT: Travel Reimbursement Rates (Supersedes USFRCS Memorandum No. 35)

The Arizona Department of Administration (DOA) has issued a new Reimbursement Rate Index that sets forth new reimbursement rates for mileage, lodging, and meals and incidentals that became **effective December 16, 2004**. It is available for download in Adobe Acrobat format (PDF) from DOA's Web site at www.gao.state.az.us/travel.

Charter school governing boards should prescribe policies, procedures, and amounts for reimbursing mileage, lodging, and meals and incidental (meals) expenses incurred for school purposes. However, reimbursement amounts should not exceed the maximum amounts established by DOA. The reimbursement rates set by DOA generally follow the Internal Revenue Service (IRS) limits outlined in IRS Publication 1542. If the school chooses to reimburse lodging, meals, and mileage expenses in excess of the limits set by the IRS, the school will be required to include amounts in excess of the IRS limits in the employee's income on Form W-2. Schools may refer to USFRCS §VI-I for a brief discussion of travel reimbursement policies and procedures.

MILEAGE

The mileage reimbursement rate for privately owned motor vehicles increased to 37.5 cents per mile. The mileage reimbursement rate for private aircraft increased to 99.5 cents per mile.

LODGING AND MEALS

To use the lodging and meal Reimbursement Rate Index, first locate the state to which the individual will travel. If the specific city is listed in the Index, use those lodging/meal rates. If the city is not listed, refer to the county in which the city is located and use the applicable rates. If the county is not listed use the default rates of \$60.00 for lodging and \$29.50 for meals.

Reimbursement rates for lodging and meals are based on the federal per diem rates for the locations listed. To be eligible for reimbursement, travelers must be in authorized travel status and be 35 or more miles away from their residence or duty post.

Lodging

The lodging rates are exclusive of taxes; therefore, schools may reimburse employees for actual expenses up to the maximum lodging reimbursements amounts listed in the Index plus any applicable taxes. If two employees share lodging while traveling, the reimbursement amount per person may not exceed the allowable single-room rate plus tax. Lodging must be at a commercial establishment and travelers are required to request the lowest available rate. Travelers must submit the original itemized lodging receipt including the name, address, and telephone number of the establishment. If this information is not provided on the receipt, travelers must request that the establishment provide the required information on their letterhead.

Although the lodging reimbursement rate generally may not exceed the listed maximum, an exception may be made for conference lodging. DOA guidelines allow employees staying at a conference-designated hotel to be reimbursed at the conference-lodging rate. Conference-designated lodging includes lodging at the hotel at which the conference is being held or other hotels listed in the conference brochure. Accommodations at alternate hotels in the immediate vicinity of the conference may be considered as conference-designated lodging when no vacancies exist at the hotels listed in the conference brochure. However, reimbursement for lodging may not exceed the conference hotel's least expensive single-room rate plus tax. A copy of the conference brochure must be submitted with the travel claim to support the excess reimbursement.

Meals

To determine whether a traveler should be reimbursed for breakfast, lunch, and/or dinner refer to DOA's Travel Policy, Section II-D-2, pages 6 and 7. For partial day travel, refer to the Meals and Incidental Expense Breakdown on page 22 of the Index to determine which individual meal allowances should be used for specific locations. DOA has provided examples on pages 10 and 11 of Section II-D-2.

A meal reimbursement cannot be claimed when substantial meals are provided at no expense to the traveler at a state institution, on an airplane, included in conference registration fees, or provided on a complimentary basis by the facility where the traveler is lodged. A substantial meal is one that contains a serving of protein in the form of meat, poultry, fish, seafood, or eggs.

To obtain the lodging and meal reimbursement rates for Alaska, Hawaii, and out-of-country locations, contact the DOA General Accounting Office at (602) 542-1750 or download the rates at www.state.gov/m/a/als/prdm. If using this method, print a copy to include with your travel claim to support the rate used. When necessary, the meal reimbursement rate obtained from DOA should be allocated between meals, as described on page 22 of the Index.

If you have questions, please contact the Office of the Auditor General, Accounting Services Division at (602) 553-0333, or the Arizona Department of Education, School Finance Operations Unit at (602) 542-5695.

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